

117TH CONGRESS  
1ST SESSION

# S. 1684

To strengthen the ability of the Federal Home Loan Bank system to provide critical financing to address the economic crisis caused by the COVID–19 pandemic and to meet the short- and long-term housing and community economic development needs of low-income communities, including Tribal communities, and for other purposes.

---

## IN THE SENATE OF THE UNITED STATES

MAY 18, 2021

Ms. CORTEZ MASTO (for herself, Mr. LEAHY, and Mr. SANDERS) introduced the following bill; which was read twice and referred to the Committee on Finance

---

## A BILL

To strengthen the ability of the Federal Home Loan Bank system to provide critical financing to address the economic crisis caused by the COVID–19 pandemic and to meet the short- and long-term housing and community economic development needs of low-income communities, including Tribal communities, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*

2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Federal Home Loan

5       Banks’ Mission Implementation Act”.

1   **SEC. 2. PURPOSE.**

2         The purpose of this Act is to promote economic recov-  
3     ery in response to the COVID–19 pandemic and to meet  
4     the short- and long-term housing and community eco-  
5     nomic development needs of low-income communities, in-  
6     cluding Tribal communities, by—

7                 (1) increasing the ability of the Federal Home  
8     Loan Banks to accept, as collateral, small business  
9     loans guaranteed by the Small Business Administra-  
10    tion;

11                 (2) authorizing the Federal Home Loan Banks  
12    to accept government guaranteed loans as collateral  
13    to support COVID–19 programs;

14                 (3) allowing community development financial  
15    institutions and credit unions to pledge community  
16    financial institution collateral, such as small busi-  
17    ness, small agriculture, and community development  
18    loans, and enable the Federal Housing Finance  
19    Agency to raise the threshold for qualification as a  
20    community financial institution;

21                 (4) providing letters of credit to provide liquid-  
22    ity, and support, stabilize and strengthen local, Trib-  
23    al, State and Federal governmental entities public  
24    unit deposits, housing and community development  
25    efforts, and vital public financing;

1                         (5) increasing funding for the Affordable Housing  
2                         Program established by each Federal Home  
3                         Loan Bank under section 10(j) of the Federal Home  
4                         Loan Bank Act (12 U.S.C. 1430(j)) and establishing  
5                         a 2 percent set aside for Native American Tribes;  
6                         and

7                         (6) creating a community economic development  
8                         investment program within the Federal Home Loan  
9                         Bank system to generate financial opportunity, cre-  
10                         ate jobs, and stimulate economic development in dis-  
11                         tressed urban, rural, Tribal, and suburban commu-  
12                         nities in the United States.

13 **SEC. 3. FHLB ADVANCES SECURED BY SBA LOANS.**

14                         Section 7 of the Small Business Act (15 U.S.C. 636)  
15                         is amended by adding at the end the following:

16                         “(o) FEDERAL HOME LOAN BANK ADVANCES.—

17                         “(1) DEFINITION OF BANK.—In this sub-  
18                         section, the term ‘Bank’ means a Federal Home  
19                         Loan Bank, as defined in section 2 of the Federal  
20                         Home Loan Bank Act (12 U.S.C. 1422).

21                         “(2) ADVANCES.—A Bank that, in the exercise  
22                         of its authority under section 10 of the Federal  
23                         Home Loan Bank Act (12 U.S.C. 1430) to make se-  
24                         cured advances, accepts as collateral a loan guaran-  
25                         teed by the Administration under this Act or any

1 other provision of law, including loans guaranteed  
2 under section 7(a)—

3 “(A) may exercise all of the rights and  
4 remedies contained in any pledge or similar se-  
5 curity agreement between the Bank and the  
6 lending or participating institution that made  
7 or purchased the loan; and

8 “(B) in the event of default on the loan,  
9 shall possess the same rights and remedies as  
10 such a lending or participating institution  
11 would possess in the same circumstance, includ-  
12 ing collecting monies due on the guarantee di-  
13 rectly from the Administration.

14 “(3) TRANSFER OF GUARANTEE.—With respect  
15 to a guaranteed loan that a Bank accepts as collat-  
16 eral under paragraph (2), the guarantee obligation  
17 of the Administration on the loan shall transfer to  
18 the Bank.”.

19 **SEC. 4. MAKING GOVERNMENT GUARANTEED LOANS IN RE-**  
20 **SPONSE TO THE COVID-19 CRISIS ELIGIBLE**  
21 **COLLATERAL FOR THE FEDERAL HOME LOAN**  
22 **BANKS.**

23 Section 10(a)(3) of the Federal Home Loan Bank  
24 Act (12 U.S.C. 1430(a)(3)) is amended by adding at the  
25 end the following:

1                 “(F) Loans guaranteed or insured by the  
2                 United States Government or any agency there-  
3                 of and made by any member under programs or  
4                 facilities established by the Secretary of the  
5                 Treasury or the Board of Governors of the Fed-  
6                 eral Reserve System under the CARES Act  
7                 (Public Law 116–136) or other similar pro-  
8                 grams or facilities in subsequently enacted Acts  
9                 to address the impact to the economy from the  
10                 COVID–19 crisis, including other similar pro-  
11                 grams or facilities established under section  
12                 13(3) of the Federal Reserve Act (12 U.S.C.  
13                 343(3)).

14                 “(G) Loans guaranteed by the Small Busi-  
15                 ness Administration under the Small Business  
16                 Act (15 U.S.C. 631 et seq.) or any other provi-  
17                 sion of law.”.

18 **SEC. 5. ADDING CREDIT UNIONS TO THE DEFINITION OF**  
19                 **COMMUNITY FINANCIAL INSTITUTIONS AND**  
20                 **EXPANDING THE PURPOSES OF ADVANCES**  
21                 **AND COLLATERAL AVAILABLE TO CERTAIN**  
22                 **COMMUNITY DEVELOPMENT FINANCIAL IN-**  
23                 **STITUTIONS.**

24                 (a) IN GENERAL.—Section 10(a) of the Federal  
25                 Home Loan Bank Act (12 U.S.C. 1430(a)) is amended—

1                             (1) in paragraph (2)(B), by inserting “or qualifi-  
2                             fying community development financial institution”  
3                             after “community financial institution”; and

4                             (2) in paragraph (3)(E), by inserting “or qualifi-  
5                             fying community development financial institution”  
6                             after “community financial institution”.

7                             (b) DEFINITIONS.—Section 2 of the Federal Home  
8                             Loan Bank Act (12 U.S.C. 1422) is amended—

9                                 (1) in paragraph (10)—

10                                 (A) by striking “INSTITUTION.—” and all  
11                             that follows through “The term” and inserting  
12                             “INSTITUTION.—The term”;

13                                 (B) by striking subparagraph (B);

14                                 (C) by redesignating clauses (i) and (ii) as  
15                             subparagraphs (A) and (B), respectively, and  
16                             adjusting the margins accordingly;

17                                 (D) in subparagraph (A), as so redesignated,  
18                             by inserting “(12 U.S.C. 1811 et seq.)  
19                             or the Federal Credit Union Act (12 U.S.C.  
20                             1751 et seq.)” before the semicolon; and

21                                 (E) in subparagraph (B), as so redesignated,  
22                             by striking “\$1,000,000,000” and insert-  
23                             ing “assets at a level set by the Agency, but not  
24                             more than \$10,000,000,000”; and

25                             (2) by adding at the end the following:

1                 “(13) QUALIFYING COMMUNITY DEVELOPMENT  
2 FINANCIAL INSTITUTION.—The term ‘qualifying  
3 community development financial institution’ means  
4 an entity that—

5                 “(A) has been certified as a community de-  
6 velopment financial institution (as such term is  
7 defined in section 103 of the Riegle Community  
8 Development and Regulatory Improvement Act  
9 of 1994 (12 U.S.C. 4702) by the Secretary of  
10 the Treasury; and

11                 “(B) satisfies the average total assets  
12 threshold requirement for a community finan-  
13 cial institution set forth in paragraph (10).”.

14 **SEC. 6. STANDBY LETTERS OF CREDIT.**

15                 The Federal Home Loan Bank Act (12 U.S.C. 1421  
16 et seq.) is amended—

17                 (1) in section 2 (12 U.S.C. 1422), as amended  
18 by section 5 of this Act, is amended by adding at  
19 the end the following:

20                 “(14) EMPLOYEE- OR COMMUNITY-OWNED COM-  
21 PANY.—The term ‘employee- or community-owned  
22 company’ means—

23                 “(A) an organization described in section  
24 1381 of the Internal Revenue Code of 1986;

1               “(B) an eligible worker-owned cooperative,  
2               as defined in section 1042(c)(2) of the Internal  
3               Revenue Code of 1986; and

4               “(C) an employee stock ownership plan, as  
5               defined in section 4975(e)(7) of the Internal  
6               Revenue Code of 1986, which meets the re-  
7               quirements of section 409 of such Code.”;

8               (2) in section 11 (12 U.S.C. 1431), by adding  
9               at the end the following:

10             “(m) STANDBY LETTERS OF CREDIT.—

11             “(1) IN GENERAL.—Each Federal Home Loan  
12             Bank is authorized to issue and confirm standby let-  
13             ters of credit, secured by collateral eligible to secure  
14             advances, to support any activity permitted under  
15             law or regulation applicable to the member or non-  
16             member mortgagee eligible to receive advances under  
17             section 10b, subject to safety and soundness over-  
18             sight, including the purposes described in paragraph  
19             (2).

20             “(2) PURPOSES.—Each Bank is authorized to  
21             issue or confirm on behalf of members or non-mem-  
22             ber mortgagees standby letters of credit that comply  
23             with the requirements of this subsection for any of  
24             the following purposes:

- 1               “(A) To assist members or non-member  
2               mortgagees in facilitating residential housing fi-  
3               nance.
- 4               “(B) To assist members or non-member  
5               mortgagees in facilitating community lending.
- 6               “(C) To assist members or non-member  
7               mortgagees with asset or liability management.
- 8               “(D) To provide members or non-member  
9               mortgagees with liquidity or other funding.
- 10              “(E) To assist members in facilitating  
11              business retention or facilitating business tran-  
12              sition to employee- or community-owned compa-  
13              nies or assisting those companies.”.

14 **SEC. 7. LETTERS OF CREDIT ON TAX EXEMPT BONDS.**

15           (a) IN GENERAL.—Clause (iv) of section  
16 149(b)(3)(A) of the Internal Revenue Code of 1986 is  
17 amended by striking “a bond during the period beginning  
18 on the date of the enactment of this clause and ending  
19 on December 31, 2010” and inserting “a municipal bond  
20 (as defined in section 75(b)(1)) on or after the date of  
21 enactment of the Federal Home Loan Banks’ Mission Im-  
22 plementation Act”.

23           (b) SAFETY AND SOUNDNESS REQUIREMENTS.—  
24 Subparagraph (E) of section 149(b)(3) of the Internal  
25 Revenue Code of 1986 is amended by striking “which are

1 at least” and all that follows through the period and in-  
2 serting “as are established by the Director of the Federal  
3 Housing Finance Agency from time to time.”.

4 (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to guarantees made after the date  
6 of enactment of this Act.

7 (d) SUNSET.—Effective on the date that is 2 years  
8 after the date on which the Federal Emergency Manage-  
9 ment Agency terminates the emergency declared on March  
10 13, 2020 by the President under the Robert T. Stafford  
11 Disaster Relief and Emergency Assistance Act (42 U.S.C.  
12 4121 et seq.) relating to the Coronavirus Disease 2019  
13 (COVID–19) pandemic, section 149(b)(3) of the Internal  
14 Revenue Code of 1986 is amended—

15 (1) in subparagraph (A)(iv), by striking “a mu-  
16 nicipal bond (as defined in section 75(b)(1)) on or  
17 after the date of enactment of the Federal Home  
18 Loan Banks’ Mission Implementation Act” and in-  
19 serting “a bond during the period beginning on the  
20 date of the enactment of this clause and ending on  
21 December 31, 2010”; and

22 (2) in subparagraph (E), by striking “as are es-  
23 tablished by the Director of the Federal Housing Fi-  
24 nance Agency from time to time” and inserting  
25 “which are at least as stringent as such require-

1       ments which apply under regulations applicable to  
2       such guarantees by Federal home loan banks as in  
3       effect on April 9, 2008".

4 **SEC. 8. AFFORDABLE HOUSING PROGRAM.**

5       (a) IN GENERAL.—Section 10 of the Federal Home  
6       Loan Bank Act (12 U.S.C. 1430) is amended—

7               (1) in subsection (j)—

8                       (A) in paragraph (3)—

9                               (i) in the matter preceding subparagraph (A), by striking “such as the fol-  
10                               lowing:” and inserting “such as—”;

11                               (ii) in subparagraph (A)—

12                                       (I) by inserting “the” before  
13                                       “purchase”; and

14                                       (II) by striking the comma at the  
15                                       end and inserting a semicolon;

16                               (iii) in subparagraph (B)—

17                                       (I) by inserting “the” before  
18                                       “purchase”; and

19                                       (II) by striking “and” at the end;

20                               (iv) in subparagraph (C)—

21                                       (I) by inserting “the” before  
22                                       “purchase”; and

23                                       (II) by striking the period at the  
24                                       end and inserting a semicolon; and

1 (v) by adding at the end the following:

2                   “(D) the purchase or rehabilitation of  
3                   housing financed by a community land trust;  
4                   and

5                 “(E) the purchase or rehabilitation of  
6 housing in qualified manufactured home com-  
7 munities owned by nonprofit organizations or  
8 the residents.”; and

9 (B) in paragraph (5)(C)—

10 (i) by striking “10” and inserting  
11 “20”;

12 (ii) by striking “100,000,000” and in-  
13 serting “200,000,000”; and

24 (b) DEFINITIONS.—Section 2 of the Federal Home  
25 Loan Bank Act (12 U.S.C. 1422), as amended by section

1 6 of this Act, is amended by adding at the end the fol-  
2 lowing:

3           “(16) MANUFACTURED HOME.—The term  
4       ‘manufactured home’ has the meaning given the  
5       term in section 603 of the National Manufactured  
6       Housing Construction and Safety Standards Act of  
7       1974 (42 U.S.C. 5402).

8           “(17) QUALIFIED MANUFACTURED HOME COM-  
9       MUNITY.—

10           “(A) IN GENERAL.—The term ‘qualified  
11       manufactured home community’ means—

12           “(i) a cooperative controlled by resi-  
13       dents or a nonprofit or municipal housing  
14       corporation established pursuant to the  
15       laws of the State in which the property  
16       used as a manufactured home community  
17       is located; and

18           “(ii)(I) in the case of a community  
19       owned by a cooperative corporation or  
20       membership nonprofit, with membership  
21       interests that are sold on a non-appre-  
22       ciating basis, has only 1 class of member-  
23       ship consisting solely of residents and  
24       homeowners that occupy a home in that  
25       manufactured home community; or

1                         “(II) in the case of a community  
2                         owned by a nonprofit corporation—

3                         “(aa) the nonprofit exists for the  
4                         purposes of preserving and improving  
5                         affordable housing and is primarily  
6                         for residential purposes; and

7                         “(bb) the intent of the nonprofit  
8                         in acquiring the community is for the  
9                         purposes of preserving and improving  
10                         the manufactured home community.

11                         “(B) GOVERNANCE.—An entity shall not  
12                         be treated as a qualified manufactured home  
13                         community unless governance of the entity is  
14                         carried out by members elected to a board of  
15                         directors with voting structured equitably  
16                         among all members.”.

17                         (c) TECHNICAL AND CONFORMING AMENDMENTS.—  
18                         Section 10 of the Federal Home Loan Bank Act (12  
19                         U.S.C. 1430) is amended—

20                         (1) in subsection (c), by striking “Federal home  
21                         loan bank” and inserting “Federal Home Loan  
22                         Bank”;

23                         (2) in subsection (h)(2), by striking “section  
24                         10(a) of this Act” and inserting “subsection (a)”;  
25                         and

- 1                             (3) in subsection (j)—  
2                                 (A) in paragraph (2), in the matter pre-  
3                                 ceding subparagraph (A), by striking “Board’s  
4                                 regulations” and inserting “regulations promul-  
5                                 gated by the Director”;  
6                                 (B) in paragraph (6)—  
7                                     (i) in subparagraph (A), by striking  
8                                     “this paragraph” and inserting “paragraph  
9                                     (5)”;  
10                                 (ii) in subparagraph (C), in the sec-  
11                                 ond sentence, by striking “Board’s deci-  
12                                 sion” and inserting “decision of the Direc-  
13                                 tor”; and  
14                                 (iii) in subparagraph (F), by inserting  
15                                     “NOTIFICATION.—” before “The Direc-  
16                                 tor”;  
17                                 (C) in paragraph (8), in the matter pre-  
18                                 ceding subparagraph (A), by striking “para-  
19                                 graph” and inserting “subsection”;  
20                                 (D) in paragraph (12)—  
21                                     (i) in subparagraph (A), by inserting  
22                                     “IN GENERAL.—” before “The Director”;  
23                                     and

3 and

10       (a) IN GENERAL.—Section 10 of the Federal Home  
11 Loan Bank Act (12 U.S.C. 1430) is amended by inserting  
12 after subsection (e) the following:

13        "(f) COMMUNITY INVESTMENT CASH ADVANCE AND  
14 COMMUNITY ECONOMIC DEVELOPMENT PROGRAM —

15               “(1) IN GENERAL.—Pursuant to regulations  
16               promulgated by the Director, each Bank—

17                         “(A) may establish community investment  
18 cash advance programs to provide financing for  
19 members or nonmember mortgagees eligible to  
20 receive advances under section 10b to provide  
21 projects targeted to certain economic develop-  
22 ment activities and specific beneficiaries, includ-  
23 ing certain geographic areas and at certain tar-  
24 geted income levels established by the Bank  
25 with the prior approval of Director; and

1               “(B) shall provide targeted community eco-  
2               nomic development grants and lending.

3               “(2) MIXED-USE PROJECTS.—With respect to a  
4               project funded under a program established under  
5               this subsection involving a combination of housing  
6               projects and economic development projects, only the  
7               economic development components of the project  
8               shall be required to meet the appropriate targeted  
9               income level for the program.

10              “(3) PRICING AND AVAILABILITY OF AD-  
11              VANCES.—A Bank shall price advances to members  
12              under this subsection as provided in section 1266.5  
13              of title 12, Code of Federal Regulations, or any suc-  
14              cessor regulation, and may price such advances at  
15              rates below the price of advances of similar amounts,  
16              maturities, and terms made pursuant to subsection  
17              (a).

18              “(4) ADVANCES TO NON-MEMBER MORTGAGEES  
19              ELIGIBLE TO RECEIVE ADVANCES.—

20              “(A) IN GENERAL.—A Bank may offer ad-  
21              vances under a program established under this  
22              subsection to non-member mortgagees eligible  
23              to receive advances under subsection (b) at the  
24              Bank’s option.

1                 “(B) PRICING.—A Bank shall price ad-  
2                 vances under this paragraph to non-member  
3                 mortgagees eligible to receive advances under  
4                 section 10b as provided in section 1266.17 of  
5                 title 12, Code of Federal Regulations, or any  
6                 successor regulation, and may price such ad-  
7                 vances at rates below the price of advances of  
8                 similar amounts, maturities, and terms made  
9                 pursuant to section 10b.

10                 “(5) PRICING PASS-THROUGH.—A Bank may  
11                 require that borrowers receiving advances made  
12                 under a program established under this subsection  
13                 pass through the benefit of any price reduction from  
14                 regular advance pricing to borrowers of the Bank.

15                 “(6) DISCOUNT FUND.—

16                 “(A) IN GENERAL.—A Bank may establish  
17                 a discount fund that the Bank may use to re-  
18                 duce the price of advances made under a pro-  
19                 gram established under this subsection below  
20                 the advance prices provided for by part 1292 of  
21                 title 12, Code of Federal Regulations, or any  
22                 successor regulation.

23                 “(B) FAIR DISTRIBUTION SCHEME.—Price  
24                 reductions made through a discount fund under

1           subparagraph (A) shall be made in accordance  
2           with a fair distribution scheme.

3           “(7) COMMUNITY ECONOMIC DEVELOPING  
4           GRANTS AND LENDING.—

5           “(A) DEFINITIONS.—In this paragraph:

6           “(i) ELIGIBLE ENTITY.—The term ‘el-  
7           igible entity’ means—

8                 “(I) a locally-owned nonprofit or-  
9                 ganization described in section  
10                501(c)(3) of the Internal Revenue  
11                Code of 1986 and exempt from tax-  
12                ation under section 501(a) of such  
13                Code or a community development  
14                corporation—

15                 “(aa) that has experience in  
16                 developing and managing eco-  
17                 nomic development projects;

18                 “(bb) that governed by a  
19                 board of directors consisting of  
20                 residents of the community and  
21                 business and civic leaders; and

22                 “(cc) the principal purpose  
23                 of which is to plan, develop, or  
24                 manage low-income housing or  
25                 community development projects;

1                         “(II) a non-depository commu-  
2                         nity development financial institution,  
3                         as defined in section 103 of the Riegle  
4                         Community Development and Regu-  
5                         latory Improvement Act of 1994 (12  
6                         U.S.C. 4702), that is certified by the  
7                         Community Development Financial  
8                         Institutions Fund under section  
9                         1805.201 of title 12, Code of Federal  
10                         Regulations, or any successor regula-  
11                         tion;

12                         “(III) a federally recognized In-  
13                         dian Tribe or community; or

14                         “(IV) a regional or national non-  
15                         profit community development or co-  
16                         operative development intermediary.

17                         “(ii) LOW-INCOME COMMUNITY.—The  
18                         term ‘low-income community’ has the  
19                         meaning given the term in section 45D(e)  
20                         of the Internal Revenue Code of 1986.

21                         “(iii) RURAL COMMUNITY.—The term  
22                         ‘rural community’ means a city, town, or  
23                         Census Designated Place with a population  
24                         of not more than 20,000, according to the

most recent decennial census conducted by  
the Bureau of the Census.

8                 “(B) REQUIREMENT.—Each Bank shall  
9                 establish a program to provide grants or sub-  
10                 sidize the interest rate on advances to members  
11                 engaged in lending to eligible entities for eco-  
12                 nomic development activities that serve low-in-  
13                 come or rural communities.

14                   “(C) USE OF FUNDS.—The entire amount  
15                   of a grant or subsidized advance provided under  
16                   this paragraph—

17                             “(i) shall benefit the communities as-  
18                             sisted by the recipient of the grant or sub-  
19                             sidized advance;

20                             “(ii) shall not be used for the purpose  
21                             of financial education or to support a  
22                             sports stadium or arena; and

23                         “(iii) shall provide at least 2 percent  
24                         of grants or advance funds to benefit fed-  
25                         erally recognized Indian Tribes or commu-

4                         “(D) ELIGIBLE ACTIVITIES.—Economic  
5 development activities that are eligible to be  
6 carried out under this paragraph include—

7                         “(i) providing grants and equity in-  
8                         vestments, including those that capitalize a  
9                         revolving loan fund of a Treasury-certified  
10                        non-depository community development fi-  
11                        nancial institution for eligible economic de-  
12                        velopment activities similar to the author-  
13                        ity provided within the Affordable Housing  
14                        Program under subsection (j);

15                             “(ii) providing awards consistent with  
16                             awards provided under section 680 of the  
17                             Community Block Grant Act (42 U.S.C.  
18                             9921);

1                   property for nonprofit organizations, in-  
2                   cluding child care or health care facilities  
3                   in low-income communities, that provide  
4                   service to low-income households;

5                   “(v) financing operating expenses for  
6                   nonprofit community development organi-  
7                   zations engaged in community economic  
8                   development activities benefitting very low-  
9                   income households;

10                  “(vi) water, road, broadband, clean  
11                  energy, or municipal infrastructure invest-  
12                  ments, including investments to address  
13                  climate change, in Native American tribal  
14                  lands and economically distressed rural  
15                  communities;

16                  “(vii) providing community facilities  
17                  or infrastructure, including public transit,  
18                  green space consisting of parks with trees  
19                  and shrubbery, heat-reflecting road and  
20                  sidewalk upgrades, tornado shelters, public  
21                  restrooms, or environmental cooling loca-  
22                  tions accessible to the public in low-income  
23                  communities; and

24                  “(viii) any other activity established  
25                  by the Director in consultation with Con-

1 gress, the Federal Home Loan Banks and  
2 their housing advisory councils, and the  
3 public.

4 “(E) PRIORITIES FOR MAKING GRANTS  
5 AND ADVANCES.—In using amounts provided  
6 under this paragraph, each Bank member shall  
7 give priority to qualified projects such as—

8 “(i) grants or advances for mixed-use  
9 housing developments that provide eco-  
10 nomic activity and affordable housing for  
11 low-income and rural communities;

12 “(ii) grants or advances for child care  
13 facilities that serve low-income households;

14 “(iii) grants or advances for programs  
15 that provide economic opportunities for  
16 formerly incarcerated individuals;

17 “(iv) grants or advances that enable  
18 conversion to employee- or community-  
19 owned companies or financing the sales of  
20 business assets to employees or community  
21 stakeholders;

22 “(v) grants or advances to established  
23 regional and national intermediary organi-  
24 zations that already receive Federal funds  
25 and have the capacity to deliver economic

1 development activities to low-income house-  
2 holds; and

3 “(vi) any other priority established by  
4 the Agency in consultation with the Banks,  
5 Bank members, housing advisory councils  
6 of the Banks, Congress, and the public.

7 “(F) REQUIREMENTS FOR PROJECTS IN  
8 RURAL COMMUNITIES.—With respect to a  
9 project carried out by an eligible entity in a  
10 rural community under this paragraph—

11 “(i) not less than 51 percent of the  
12 population served by the project shall re-  
13 side in the rural community;

14 “(ii) the projects shall primarily serve  
15 and benefit rural residents and commu-  
16 nities; and

17 “(iii) the rural community shall be  
18 within the jurisdiction of the eligible entity.

19 “(G) REPORT.—Each member receiving a  
20 grant or advance under this paragraph shall re-  
21 port annually to the Bank making the grant or  
22 advance concerning the use by the member of  
23 the grant or advance.

24 “(H) CONTRIBUTION TO PROGRAM.—Each  
25 Bank shall annually contribute 10 percent of

1           the preceding year's net income, or such pro-  
2           rated sums as may be required to ensure that  
3           the aggregate contribution of the Banks shall  
4           not be less than \$100,000,000 for each such  
5           year, to support grants and subsidized advances  
6           made under this paragraph.”.

○